

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited).

	INDIVIDUAL PERIOD				CUMULATIVE PERIOD			
	CURRENT PERIOD QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES (Amount / %)		CURRENT PERIOD	PRECEDING PERIOD	CHANGES (Amount / %)	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	214,484	150,934	63,550	42%	373,264	284,738	88,526	31%
Operating expenses	(154,251)	(120,099)	(34,152)	28%	(278,328)	(228,428)	(49,900)	22%
Gross profit	60,234	30,835	29,399	95%	94,937	56,310	38,627	69%
Interest income	339	86	253	>100%	619	393	226	58%
Other income	2,288	3,940	(1,652)	(42%)	3,641	7,386	(3,745)	(51%)
Administrative Expenses	(24,383)	(15,168)	(9,215)	61%	(36,736)	(26,881)	(9,855)	37%
Finance costs	(1,017)	(1,223)	206	(17%)	(1,888)	(2,428)	540	(22%)
Share of results of jointly controlled entity	144	563	(419)	(74%)	142	516	(374)	(72%)
Share of results of associated companies	(1,072)	(812)	(260)	32%	(727)	(2,453)	1,726	(70%)
Profit before taxation	36,533	18,221	18,312	100%	59,988	32,843	27,145	83%
Taxation	(7,082)	(2,484)	(4,598)	>100%	(9,169)	(4,958)	(4,211)	85%
Net profit for the year	29,450	15,737	13,713	87%	50,818	27,885	22,933	82%
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Share of associates' other comprehensive income	14	0	14	>100%	108	0	108	>100%
Exchange difference on translation of foreign entity	32	(328)	360	>100%	(105)	(988)	883	(89%)
Total comprehensive income for the year	29,496	15,409	14,087	91%	50,821	26,897	23,924	89%
Profit for the year attributable to:								
Owners of the parent	22,853	12,162	10,691	88%	40,345	21,502	18,843	88%
Non-Controlling Interests	6,597	3,575	3,022	85%	10,473	6,383	4,090	64%
	29,450	15,737	13,713	87%	50,818	27,885	22,933	82%
Total Comprehensive income for the year attributable to:								
Owners of the parent	22,879	11,834	11,045	93%	40,374	20,514	19,860	97%
Non-Controlling Interests	6,617	3,575	3,042	85%	10,447	6,383	4,064	>100%
	29,496	15,409	14,087	91%	50,821	26,897	23,924	89%
Earnings per share ("EPS") (in sen)								
Basic earnings per share (sen) (Note B13)	5.73	3.05	2.68	88%	10.11	5.39	4.72	88%
Diluted earnings per share (sen) (Note B13)	5.73	3.05	2.68	88%	10.11	5.39	4.72	88%

This Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2021.

HARBOUR-LINK GROUP BERHAD
UNAUDITED CONDENSED CONSOLIDATED FINANCIAL POSITION

	As at 31/12/2021 RM'000 (Unaudited)	As at 30/06/2021 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	296,332	255,961
Investment properties	9,468	9,667
Inventories	43,386	44,078
Investment in jointly-controlled entity	651	655
Investment in associates	10,219	10,772
Other Investment	216	216
Deferred tax assets	1,234	1,519
Trade and other receivables	641	858
	362,147	323,726
Current assets		
Inventories	40,752	36,011
Trade and other receivables	176,384	156,511
Investment securities	31,730	26,729
Other current assets	16,032	15,369
Cash and bank balance	208,450	174,968
	473,348	409,588
TOTAL ASSETS	835,495	733,314
LIABILITIES		
Current liabilities		
Loans and borrowings	40,215	30,807
Trade and other payables	121,973	94,186
Other current liabilities	67	4,690
Tax payables	7,610	2,518
	169,865	132,201
Non-current liabilities		
Deferred tax liabilities	15,713	15,875
Loans and borrowings	53,396	36,254
	69,109	52,129
TOTAL LIABILITIES	238,974	184,330
NET ASSETS	596,521	548,984
EQUITY		
Share capital	200,200	200,200
Revenue reserves	315,344	275,003
Total shareholders' equity	515,544	475,203
Non-controlling interest	80,977	73,781
TOTAL EQUITY	596,521	548,984
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.29	1.19

Net assets per share attributable to owner of the Company is calculated based on the net asset attributable to equity holders of owner and the issued and paid-up share capital of the Company of 400,400,008 ordinary shares.

This Condensed Consolidated Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2021.

HARBOUR-LINK GROUP BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited).

	CURRENT PERIOD ENDED 31/12/2021	COMPARABLE PERIOD ENDED 31/12/2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	59,988	32,843
Adjustments for:		
Non-operating items	1,780	(5,513)
Depreciation	30,764	15,882
Interest expense	1,888	2,428
Interest income	(619)	(393)
Share of results in associates and jointly controlled entity	585	1,937
Operating profit before changes in working capital	94,386	47,184
Changes in working capital:		
(Increase)/Decrease in inventories	(3,723)	1,951
Increase in trade and other receivables	(16,109)	(30,644)
Decrease in amount due from customers for contract works	(2,123)	(263)
Decrease in other current liabilities	(1,627)	(1,885)
Increase/(Decrease) in trade and other payables	14,493	23,198
Net cash generated from operations activities	85,297	39,541
Interest paid	(1,888)	(2,428)
Interest received	619	393
Tax refund	-	903
Tax paid	(4,294)	(4,275)
Net cash generated from operating activities	79,734	34,134
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,446)	(1,042)
Increase in fixed deposit pledged	32	430
Increase in investment securities	(2,677)	(6,400)
Purchase of treasure shares	-	(533)
Disposal of Non Controlling Interest in Subsidiaries	-	508
Dividend received	80	60
Net cash outflow acquisition of subsidiaries	-	(239)
Proceeds from disposal of property, plant and equipment	765	1,493
Net cash used in investing activities	(14,246)	(5,723)
Cash flows from financing activities		
Dividend paid	(3,251)	(430)
Net (Repayment of) / generated from borrowings	(9,748)	(7,489)
Net (repayment of) / generated from lease payables	(19,007)	(7,612)
Net cash (used in) from financing activities	(32,006)	(15,531)
Net increase/(decrease) in cash and cash equivalents	33,482	12,880
Cash and cash equivalents at beginning of period	174,968	144,755
Cash and cash equivalents at end of period	208,450	157,635

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	208,450	157,635
Bank Overdraft	(132)	-
	<u>208,318</u>	<u>157,635</u>

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2021.

HARBOUR-LINK GROUP BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3 MONTHS PERIOD ENDED 31 DECEMBER 2021

(The figures have not been audited).

	ATTRIBUTABLE TO EQUITY HOLDERS OF COMPANY						NON CONTROLLING INTEREST RM'000
	TOTAL EQUITY RM'000	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	NON-DISTRIBUTABLE FOREIGN CURRENCY TRANSLATION RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS / (ACCUMULATED LOSSES) RM'000	
6 MONTHS ENDED 31 DECEMBER 2021							
At 1 July 2021	548,984	475,203	200,200	(887)	2,517	273,373	73,781
Dividends on ordinary shares	(3,251)	-	-	-	-	-	(3,251)
Total comprehensive income for the period	50,788	40,341	-	-	(4)	40,345	10,447
At 31 DECEMBER 2021	596,521	515,544	200,200	(887)	2,520	290,865	80,977
6 MONTHS ENDED 31 DECEMBER 2020							
At 1 July 2020	480,160	419,346	200,200	(354)	2,703	216,797	60,814
Capital contributed by Non Controlling Interest in Subsidiaries	508	-	-	-	-	-	508
Acquisition of Non Controlling Interest in Subsidiaries	(236)	-	-	-	-	-	(236)
Dividends on ordinary shares	(430)	-	-	-	-	-	(430)
Purchase of treasury shares	(533)	(533)	-	(533)	-	-	-
Total comprehensive income for the period	26,897	20,514	-	-	(988)	21,502	6,383
At 31 DECEMBER 2020	506,366	439,327	200,200	(887)	1,715	238,299	67,039

Remarks:

Part A – NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirement of Chapter 9, Disclosure, Paragraph 9.22 of the Main Market Listing Requirement (“LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in compliance with Malaysian Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”), and should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2021.

The accounting policies and presentation adopted for this Unaudited Condensed Consolidated Interim Financial Information are mainly consistent with those of the Group’s audited financial statements for the financial year ended 30 June 2021, except for the following:

Effective for financial periods beginning on or after 1 July 2021:

Amendment to MFRS 9, MFRS 139, MFRS 7 MFRS 4 and MFRS 16	:	Interest Rates Benchmark Reform 2
Amendments to MFRS 16	:	Leases (Covid -19 : Related Rent Concessions beyond 30 June 2021)

MFRSs and Amendments to MFRSs issued but not yet effective

Title		Effective Date
Amendments to MFRS 3	Business Combinations (Reference to the Conceptual Framework)	
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use	On and after 1 July 2022
Amendments to MFRS 117	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)	
Amendments to MFRS 17	Insurance Contracts	
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-Current)	
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	On and after 1 July 2023
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	

The adoption of the said MFRSs and Amendments of MFRSs did not have any impact to the condensed financial statements.

A2. *Report of the Auditors to the Members of Harbour-Link*

The reports of the auditors to the members of Harbour-Link Group Bhd on the financial statements for the financial year ended 30 June 2021 were not subject to any qualification and did not include any adverse comments made under Section 266 of the Companies Act, 2016.

A3. *Seasonality or Cyclicity of Interim Operations*

The Group's results are not materially affected by any seasonal or cyclical factors for the current period under review.

A4. *Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows*

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size or incidence during current financial period ended 31 December 2021.

A5. *Material Effect of Changes in Estimates of Amounts Reported in Prior Interim Periods or Prior Financial Years*

There were no changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect on results for the current financial period under review.

A6. *Debt and Equity Securities*

There were no issuance of debt and equity securities, repayment of debt securities, new shares issuance, share buy-backs, share cancellations nor resale of treasury shares by the Group and the Company during the financial period under review.

A7. *Dividend Paid*

No dividend was paid during the financial period ended 31 December 2021.

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial period to date 31 December 2021	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
REVENUE							
Revenue from external sales	-	248,812	108,215	11,054	5,183	-	373,264
Inter-segment sales	10,567	4,830	9,226	-	72	(24,695)	-
	10,567	253,642	117,441	11,054	5,255	(24,695)	373,264
RESULTS							
(Loss)/Profit before taxation from the normal operations	(1,726)	52,802	9,396	(2,305)	2,518	(697)	59,988
Profit before taxation includes:							
Depreciation	137	21,366	8,591	180	90	400	30,764
Finance cost	-	1,149	1,786	86	-	(1,133)	,1,888
Net (reversal)/impairment of trade receivables	-	(140)	3,679	(4)	-	-	3,535
Share of (loss)/profit in jointly controlled entities and associates	-	(727)	142	-	-	-	585

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial period to date 31 December 2021	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS	26,609	590,404	77,160	83,293	75,584	(18,789)	834,265
Deferred tax assets	-	980	244	-	10	-	1,234
TOTAL ASSETS	26,609	591,384	77,404	83,293	75,594	(18,789)	835,495
Included in measure of segment assets are:							
Investment in associates	-	10,793	418	-	-	-	10,219
Investment in jointly controlled entities	-	-	652	-	-	-	651
Additional to property, plant and equipment	-	3,308	9,117	-	21	-	12,446
SEGMENT LIABILITIES	15,226	201,121	22,153	7,141	3,787	(26,167)	223,261
Deferred tax liabilities	66	5,383	8,170	2,031	63	-	15,713
TOTAL LIABILITIES	15,292	206,504	30,323	9,172	3,850	(26,167)	238,974

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial period to date <u>31 December 2020</u>	Investment Holding <u>RM'000</u>	Shipping and Marine <u>RM'000</u>	Integrated logistics <u>RM'000</u>	Engineering <u>RM'000</u>	Property <u>RM'000</u>	Elimination <u>RM'000</u>	Total <u>RM'000</u>
REVENUE							
Revenue from external sales	-	183,900	79,401	15,270	6,167	-	284,738
Inter-segment sales	6,038	3,090	7,497	-	28	(16,653)	-
	<u>6,038</u>	<u>186,990</u>	<u>86,898</u>	<u>15,270</u>	<u>6,195</u>	<u>(16,653)</u>	<u>284,738</u>
RESULTS							
(Loss)/Profit before taxation from the normal operations	(2,014)	24,134	8,642	1,153	1,473	(545)	32,843
Profit before taxation includes:							
Depreciation	144	6,386	9,063	198	91	-	15,882
Finance cost	487	896	1,264	97	239	(555)	2,428
Net impairment of trade receivables	-	(1,156)	(775)	-	-	-	(1,931)
Share of (loss)/profit in jointly controlled entities and associates	-	(2,453)	516	-	-	-	(1,937)

A8. Segment Information (Cont'd)

The Group's financial information analysed by business segment is as follows:

Financial period to date 31 December 2020	Investment Holding RM'000	Shipping and Marine RM'000	Integrated logistics RM'000	Engineering RM'000	Property RM'000	Elimination RM'000	Total RM'000
SEGMENT ASSETS	31,298	290,294	266,625	89,912	74,931	(40,286)	712,774
Deferred tax assets	-	212	887	-	591	-	1,690
TOTAL ASSETS	31,298	290,506	267,512	89,912	75,522	(40,286)	714,464
Included in measure of segment assets are:							
Investment in associates	-	9,6021	-	-	-	-	9,602
Investment in jointly controlled entities	-	-	965	-	-	-	965
Additional to property, plant and equipment	-	-	716	-	326	-	1,042
SEGMENT LIABILITIES	27,605	87,756	83,806	12,487	6,183	(25,467)	192,370
Deferred tax liabilities	88	4,418	8,624	2,294	304	-	15,728
TOTAL LIABILITIES	27,693	92,174	92,430	14,781	6,487	(25,467)	208,098

Harbour-Link Group Berhad (Company No: 592902-D)

A9. Property, Plant and Equipment

There was no valuation on property, plant and equipment during the current quarter and financial period ended 31 December 2021.

A10. Significant Post Balance Sheet Event

There are no material events as at 18 February 2022, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the current financial period under review.

A11. Changes in Composition of the Group

There were no changes in composition of the Group during the current financial period ended 31 December 2021.

A12. Contingent Liabilities

There was no material contingent assets and liabilities since the last annual balance sheet date to the date of this report.

A13. Capital Commitments

	31 December 2021	30 Sept 2021
	RM'000	RM'000
Capital expenditure		
Authorised and contracted for	32,268	5,374
	<u> </u>	<u> </u>

Harbour-Link Group Berhad (Company No: 592902-D)

A14. Related Party Transactions

Related parties are those defined under MFRS 124: Related Party Disclosures. The Directors are of the opinion that the related party transactions and balances described below are carried out in the ordinary course of business and on commercial terms that are no more favourable than those available to other third parties.

	Current Quarter ended 31 Dec 2021 RM'000	Balance due from/(to) As at 31 Dec 2021 RM'000
Transaction with companies in which Certain Directors of the Company have substantial interests		
Sales of goods and services	1,255	395
Purchase of goods and services	1,203	(1,303)
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Harbour-Link Group Berhad (Company No: 592902-D)

B. Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

B1. Review of the Performance of the Group

	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	<u>31/12/2021</u>	<u>31/12/2020</u>	<u>RM'000</u>	<u>%</u>	<u>31/12/2021</u>	31/12/2020	<u>RM'000</u>	<u>%</u>
Revenue	214,484	150,934	63,550	42%	373,264	284,738	88,526	31%
Profit Before Interest and Tax	37,550	19,444	18,106	93%	61,876	35,271	26,605	75%
Profit Before Tax	36,533	18,221	18,312	100%	59,988	32,843	27,145	83%
Profit After Tax	29,450	15,737	13,713	87%	50,818	27,885	22,933	82%

The Group posted revenue of RM373.26 million for the current financial period ended 31 December 2021, which is RM88.53 million or 31% higher than the preceding financial period of RM284.74 million. While, the profit before tax for the current financial period ended 31 December 2021 is RM59.99 million, which is RM27.15 million or 83% higher than the preceding financial period of RM32.84 million.

For management purposes, the Group is organized into business units based on their product and services, and has following operating segments:

Continuing operations

- The shipping and marine segment comprises of ship owners unit, ship operator unit and agency unit.
- Integrated logistic segment comprises of transport unit, heavy lifting, equipment sales and rental unit and freight forwarding unit.
- Engineering segment
- Property segment
- Other operations mainly consist of investment, management services and treasury services.

Harbour-Link Group Berhad (Company No: 592902-D)

B1. Review of the Performance of the Group

Shipping and marine segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
Revenue	140,639	95,249	45,390	48%	248,812	183,900	64,912	35%
Profit Before								
Interest and Tax	31,011	15,557	15,454	99%	53,245	24,294	28,951	>100%
Profit Before Tax	30,690	15,365	15,325	99%	52,802	24,133	28,669	>100%
Profit After Tax	25,928	13,883	12,045	87%	47,154	21,325	25,829	>100%

The shipping and marine segment recorded revenue of RM248.81 million which is RM64.91 million or 35% higher than the preceding financial period ended 31 December 2020 of RM183.90 million. The increase in the revenue by 35% is due to increase in ocean freight rates for Intra Asia trade.

The profit before tax of RM52.80 million has increased by RM28.67 million as compared to preceding financial period ended 31 December 2020 of RM24.13 million. The reason for the significant increase in the profit before tax is due to improvement in the freight rate and better utilization of shipping space from Intra Asia trade.

Integrated logistics segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
Revenue	60,406	44,729	15,677	35%	108,215	79,401	28,814	36%
Profit Before								
Interest and Tax	6,205	5,963	242	4%	10,542	10,086	456	5%
Profit Before Tax	5,655	5,305	350	7%	9,396	8,643	753	9%
Profit After Tax	4,074	3,738	336	9%	6,655	6,383	272	4%

The integrated logistics segment recorded an increase in revenue by RM28.81 million to RM108.22 million, an increase of 36% as compared to the preceding financial period ended 31 December 2020 of RM79.40 million.

The profit before tax has recorded an increase of RM0.75 million to RM9.40 million as compared to preceding financial period ended 31 December 2020 of RM8.64 million.

The increase in the revenue is due to the easing of movement controls which has resulted in the increase of export-oriented cargo volumes from our local manufacturing sector as well as the oil and gas sectors. The increase in profit before tax is in tandem with the increase with revenue.

Harbour-Link Group Berhad (Company No: 592902-D)

B1. Review of the Performance of the Group (Cont'd)

Engineering segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
Revenue	9,009	7,859	1,150	15%	11,054	15,271	(4,217)	(28%)
(Loss)/Profit Before Tax and Interest	(392)	1,009	(1,401)	>100%	(2,219)	1,251	(3,470)	>100%
(Loss)/Profit Before Tax	(434)	961	(1,395)	>100%	(2,305)	1,153	(3,458)	>100%
(Loss)/Profit After Tax	(419)	735	(1,154)	>100%	(2,291)	869	(3,160)	>100%

The engineering segment recorded revenue of RM11.05 million which is RM4.22 million lower than the preceding financial period ended 31 December 2020 of RM15.27 million. The loss before tax is RM2.31 million which is RM3.46 million or more than 100% lower than the preceding financial period ended 31 December 2020. The decrease in revenue is due to the current project on hand are mostly at the initial stage thus the percentage of work done are at early stages.

Property segment	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
Revenue	4,430	3,097	1,333	43%	5,183	6,167	(984)	(16%)
Profit Before Interest and Tax	2,759	52	2,707	>100%	2,642	1,712	930	54%
Profit / (Loss) Before Tax	2,698	(56)	2,754	>100%	2,518	1,473	1,045	71%
Profit After Tax	2,022	778	1,244	>100%	1,830	1,936	(106)	(5%)

The property development division recorded revenue of RM5.18 million which is RM0.98 million lower than the preceding financial period ended 31 December 2020. The profit before tax is RM2.52 million which is RM1.05 million higher than the preceding financial period ended 31 December 2020.

The increase in profit before tax due to sale of 1 piece of vacant land amounting to RM2.70 million.

Harbour-Link Group Berhad (Company No: 592902-D)

B1. Review of the Performance of the Group (Cont'd)

Investment Holding	Current Quarter RM'000		Changes (amount / %)		Cumulative Quarter RM'000		Changes (amount / %)	
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
Revenue	-	-	-	-	-	-	-	-
Loss Before Tax and Interest	(1,053)	(1,012)	(41)	(4%)	(1,636)	(1,527)	(109)	(7%)
Loss Before Tax	(1,095)	(1,230)	135	11%	(1,726)	(2,014)	288	14%
Loss After Tax	(1,172)	(1,273)	101	8%	(1,831)	(2,082)	251	12%

The investment holdings recorded a loss before tax of RM1.73 million as compare to the preceding financial period ended 31 December 2020 of loss before tax of RM2.01 million due to decrease in staff cost.

B2. Comparison with Preceding Quarter's Results

	Current quarter RM'000	Immediate Preceding Quarter RM'000	Changes (amount / %)	
	31/12/2021	30/09/2021	RM'000	%
Revenue	214,484	158,780	55,704	35%
Profit Before Tax and Interest	37,550	24,327	13,223	54%
Profit Before Tax	36,533	23,455	13,078	56%
Profit After Tax	29,450	21,368	8,082	38%

The Group posted revenue of RM214.48 million for the current quarter ended 31 December 2021 which is RM55.70 million or 35% higher than the immediate preceding quarter ended 30 September 2021 of RM158.78 million. The profit before tax for the current quarter ended 31 December 2021 is RM36.53 million, which is RM13.08 million higher than the immediate preceding quarter ended 30 September 2021 of RM23.46 million.

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B2. Comparison with Preceding Quarter's Results (Cont'd)

<u>Shipping and marine segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
	<u>31/12/2021</u>	<u>30/09/2021</u>	<u>RM'000</u>	<u>%</u>
Revenue	140,639	108,173	32,466	30%
Profit Before Tax and Interest	31,011	22,234	8,777	39%
Profit Before Tax	30,690	22,112	8,578	39%
Profit After Tax	25,928	21,226	4,702	22%

The shipping and marine segment posted an increase in revenue of RM32.47 million or 30% in the current quarter ended 31 December 2021 of RM140.64 million as compared to RM108.17 million in the immediate preceding quarter ended 30 September 2021. The reason for the increase in the revenue is mainly due to increase in lifting volume arose from the festive seasonal shipments that has bolstered strong demand for container shipping such as Christmas and Chinese New Year.

The increase in profit before tax for the current quarter ended 31 December 2021 by RM8.58 million as compared to the immediate preceding quarter ended 30 September 2021 due to the above mentioned factors.

<u>Integrated logistics segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding Quarter RM'000	(amount / %)	
	<u>31/12/2021</u>	<u>30/09/2021</u>	<u>RM'000</u>	<u>%</u>
Revenue	60,406	47,809	12,597	26%
Profit Before Interest and Tax	6,205	4,337	1,868	43%
Profit Before Tax	5,655	3,740	1,915	34%
Profit After Tax	4,074	2,581	1,493	58%

The integrated logistics segment posted an increase in revenue of RM12.60 million or 26% in the current quarter ended 31 December 2021 of RM60.41 million as compared to RM47.81 million in the immediate preceding quarter ended 30 September 2021. The increase in revenue was due to the increase in transporting and handling of export and import cargo volume after the relaxation of movement controls.

The profit before tax for the current quarter ended 31 December 2021 is RM5.66 million, which is RM1.92 million higher than the immediate preceding quarter ended 30 September 2021 of RM3.74 million which is in tandem with the increase in the revenue.

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B2. Comparison with Preceding Quarter's Results (Cont'd)

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
<u>Engineering segment</u>	<u>31/12/2021</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
Revenue	9,009	2,046	6,963	>100%
Loss Before Interest and Tax	(392)	(1,827)	1,435	79%
Loss Before Tax	(434)	(1,871)	1,437	77%
Loss After Tax	(419)	(1,872)	1,453	78%

The engineering segment posted an increase in revenue of RM6.96 million or more than 100% in the current quarter ended 31 December 2021 of RM9.01 million as compared to RM2.05 million in the immediate preceding quarter ended 30 September 2021. The loss before tax for the current quarter ended 31 December 2021 is RM0.43 million as compared to RM1.87 million in the immediate preceding quarter ended 30 September 2021. The reason for the increase in revenue and marginal loss before tax is due to the current projects have achieved a certain milestone and thus progressive profit has been recognized.

	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
<u>Property segment</u>	<u>31/12/2021</u>	<u>Quarter</u>	<u>RM'000</u>	<u>%</u>
Revenue	4,430	753	3,677	>100%
Profit/(Loss) Before Interest and Tax	2,759	(118)	2,877	>100%
Profit/(Loss) Before Tax	2,698	(179)	2,877	>100%
Profit/(Loss) After Tax	2,022	(192)	2,214	>100%

The property segment posted an increase in revenue of RM3.68 million in the current quarter ended 31 December 2021 to RM4.43 million as compared to RM0.75 million in the immediate preceding quarter ended 30 September 2021.

The profit before tax for the current quarter ended 31 December 2021 of RM2.70 million, which is RM2.88 million higher than the immediate preceding quarter ended 30 September 2021 due to reason explained in B1.

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B2. Comparison with Preceding Quarter's Results (Cont'd)

<u>Investment holding segment</u>	Current quarter	Immediate	Changes	
	RM'000	Preceding	(amount / %)	
	<u>31/12/2021</u>	Quarter	<u>RM'000</u>	<u>%</u>
		<u>30/09/2021</u>		
Revenue	-	-	-	-
Loss Before Interest and Tax	(1,053)	(583)	470	81%
Loss Before Tax	(1,095)	(631)	464	74%
Loss After Tax	(1,172)	(659)	513	78%

The investment holdings recorded a loss before tax of RM1.05 million an increase of loss of RM0.46 million as compare to the immediate preceding quarter ended 30 September 2021 of RM0.63 million due to increase in the staff cost.

B3. Prospects

Port congestions and imbalance of container movements are still tensed globally, especially in the US and European ports. We shall foresee the remaining of 2022 still a disruptive capacity constraint market with inflationary freight rates. This situation shall continue for a further period of time.

Harbour-Link container shipping activities are operating within Intra Asia and Malaysia domestic market by using our own fleet of vessels which have minimized the cost of chartering fees and containers shortage. We shall enjoy the current favorable freight rates and strong domestic demands to enable us to achieve high utilization level. We foresee a favorable result in this financial year.

Our integrated logistic division shall be stabilized and recovered after the relaxation of the movement controls. The increased activities in the manufacturing, oil and gas upstream and downstream sectors shall contribute us higher revenue due to the increased of cargo volume that we are handling. Furthermore, our machineries sales and rental are also experiencing higher demand in construction and plantation sectors.

Our new and on-going engineering and construction projects, are progressing at a satisfactory pace. We expect positive income in the next quarter and throughout this financial year.

However, we have to be cautious on the relaxation of movement controls despite the soaring cases of the new corona virus variant, Omicron. We are still practicing the preventive measures strictly in order to keep our employees in good healthy conditions and mitigate the risk to the lowest level.

B4. Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

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B5. Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period ending is stated after charging/ (crediting):				
Interest income	339	86	619	393
Depreciation of plant and equipment	15,885	7,900	30,764	15,882
Finance cost	1,017	1,223	1,888	2,428
Allowance/(Reversal) of impairment of receivables	2,607	(1,900)	3,535	(2,797)
Share of loss in associates	(1,072)	(812)	(727)	(2,453)
Share of profit in jointly controlled entities	144	563	142	516

B6. Taxation

Taxation of the Group comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	7,065	3,186	9,046	5,370
Tax overprovision	-	(903)	-	(903)
Deferred tax expense: Origination and reversal of temporary difference	17	201	123	491
	7,082	2,484	9,169	4,958

The effective tax rate of the Group for the current quarter and financial year was lower than the statutory tax rate of 24 per cent principally due to exemption of taxes on profit earned in certain subsidiaries mainly from the shipping and marine segment.

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B7. Status of Corporate Proposal

There were no pending corporate proposals up to 18 February 2022, being the date not earlier than 7 days from the date of this announcement.

B8. Group Borrowings and Debt Securities

The Group's borrowings as at 31 December 2021 and 31 December 2020 are as follows:

	As at 31 December 2021		
	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured			
Term loan	4,752	13,071	17,823
Bank Overdraft	132	-	132
Lease Liabilities	32,663	40,325	72,988
	37,547	53,396	90,943
Unsecured			
Bankers' Acceptance	2,668	-	2,668
Revolving Credit	-	-	-
	2,668	-	2,668
	40,215	53,396	93,611

	As at 31 December 2020		
	Short Term	Long Term	Total
	RM'000	RM'000	RM'000
Secured			
Term loan	4,847	18,295	23,142
Bank Overdraft	-	-	-
Finance Lease Liabilities	13,647	23,583	37,230
	18,494	41,878	60,372
Unsecured			
Bankers' Acceptance	10,638	-	10,638
Revolving Credit	12,500	-	12,500
	23,138	-	23,138
	41,632	41,878	83,510

The above borrowings are denominated in Ringgit Malaysia.

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B9. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 December 2021.

B10. Off Balance Sheet Financial Instruments

During the financial period to-date, the Group did not enter into any contracts involving off balance sheet financial instruments. There are no financial instruments with off balance sheet risks as at 18 February 2022, being the date not earlier than 7 days from the date of this announcement.

B11. Changes in Material Litigation

There are no changes in material litigation since the last annual balance sheet date till 18 February 2022 being the date not earlier than 7 days from the date of this announcement.

B12. Dividend declared

No interim ordinary dividend has been declared during the quarter under review.

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B13. Earnings per Share

Basic earnings per share

The basic earnings per share for the current quarter and financial period ended 31 December 2021 is calculated by dividing the Group's profit for the year, net of tax, attributable to owners of the parent for the current quarter and financial period of RM22,853,000 and 40,345,000 by the weighted average number of ordinary shares in issue (net of treasury shares) during the current quarter and financial period ended 31 December 2021 of 398,744,000.

	Individual Quarter		Cumulative Quarter	
	Current period Quarter	Preceding Period Corresponding Quarter	Current Financial Period	Preceding Financial Period
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Earnings Per Share				
Profit net of tax attributable to Owners of the parent (in RM'000)	22,853	12,162	40,345	21,502
Weighted average number of ordinary shares in issue ('000)	398,744	398,744	398,744	398,744
Basic earnings per share (sen)	5.73	3.05	10.11	5.39
Diluted earnings per share (sen)	5.73	3.05	10.11	5.39

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B14. Provision of Financial Assistance

The financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries as at 31 December 2021 pursuant to paragraph 8.23(1) of the Listing Requirements.

	31 Dec 2021	30 Sept 2021
	RM'000	RM'000
Corporate guarantees to financial institutions for credit facilities granted to:		
- non wholly-owned subsidiary companies	5,254	5,146
	=====	=====

The Provision of Financial Assistance will not have any material effect on the net assets, earnings per share, gearing, the share capital and substantial shareholders' shareholding of Harbour-Link for the financial period ended 31 December 2021.

This announcement is dated 25 February 2022.